

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

NORTHSTAR MORTGAGE CORP.

Plaintiff

v.

ALFREDO PADILLA CINTRON IN HIS
PERSONAL AND OFFICIAL CAPACITY
AS COMMISSIONER OF FINANCIAL
INSTITUTIONS

Defendant

CIVIL NO. 07-1320 (FAB)

DECLARATORY JUDGMENT,
TEMPORARY RESTRAINING ORDER;
REQUEST FOR PRELIMINARY AND
PERMANENT INJUNCTION; CIVIL
RIGHTS

**MOTION IN COMPLIANCE WITH ORDER TO SHOW CAUSE AND
REQUESTING DISMISSAL WITHOUT PREJUDICE**

TO THE HONORABLE COURT:

COMES NOW Plaintiff Northstar Mortgage Corporation. (“Northstar”) through its undersigned attorneys, and very respectfully submits this motion in compliance with the Order issued on April 17, 2007 [Dkt. 3]:.

1. This civil action is predicated on, *inter alia*, a declaratory judgment request concerning the power or lack thereof of the Commissioner of Financial Institutions (“Commissioner”) to impose the penalty of restitution in its administrative proceedings. Without a hearing, the Commissioner ordered Northstar to pay close to \$800,000.00 as restitution to debtors who themselves participated, or had knowledge, of the fraud perpetrated against Northstar.

2. Northstar also sought the assistance of the Honorable Court because the April 20, 2007 hearing in fact was ordered by the Commissioner without any guarantees of due process, as Northstar was not notified of specific charges and was denied the right to discovery.

3. Although the Puerto Rico Court of Appeals, in a separate proceeding and after this Court’s April 17th, 2007 Order [Dkt. 3], stayed the April 20, 2007 hearing pending resolution of an

appeal filed by Northstar, the issue of the constitutionality of the Commissioner's faculty of imposing *ultra vires* restitution penalties and other procedural due process questions raised by this action still remain and could remain unresolved after the Commonwealth of Puerto Rico Court of Appeals decides this matter.

4. In view of the aforementioned and in accordance with *Younger v. Harris*, 401 U.S. 37 (1971) and principles of judicial economy, Northstar requests that the action at bar be dismissed without prejudice.

WHEREFORE Northstar respectfully requests that this action be voluntarily dismissed, without prejudice.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 17th day of April, 2007.

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